

B. EHBCC – Business Development Center (W957)

February 19, 2010

- Grantee:** East Harlem Business Capital Corporation (“EHBCC” or the “Organization”)
- ESD Investment:** A grant of up to \$75,000 to be used for the cost of salaries/fringes and consultant fees.
- Project Location:** New York, New York County
- NYS Empire Zone (or equivalent):** N/A
- Project Completion:** December 2010
- Grantee Contact:** Sandra De Leon, Deputy Director
2261-63 First Avenue, 3rd Floor
New York, NY 10035
Phone: (212) 427-6590 Fax: (212) 427-6537
- Project Team:**
- | | |
|--------------------|---------------|
| Project Management | Martha Otero |
| Affirmative Action | Laverne Poole |
| Environmental | Soo Kang |

Project Description:

Background

EHBCC is a not-for-profit 501(c)(3) economic development organization founded in 1997 to enhance the economy and commerce of the East Harlem community, by providing technical and financial assistance to entrepreneurs and existing small businesses. EHBCC provides technical assistance in the form of one-on-one counseling, technology training and business training seminars and workshops. It provides financial assistance through its two loan programs: the first program is for fixed asset and working capital loans ranging from \$2,500 to \$50,000, and the second is a micro-loan program that provides loans ranging from \$500 to \$2,500. The Organization also refer clients to alternative financing programs.

To effectively serve and improve the economy and quality of life for residents and businesses in East Harlem, EHBCC is certified as a Community Development Financial Institution (“CDFI”) by the US Treasury Department, is designated as an Intermediary Lender by the US Small Business Administration, serves as an Empire Zone Administrator in East Harlem, and as an East Harlem Community Revitalization Partner with the Upper Manhattan Empowerment Zone.

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Since 1998, ESD has provided \$1.2 million in assistance to EHBCC - \$535,000 in Minority and Women-owned Business Development and Lending Program (“MWBDL”) grants, a \$125,000 Local Assistance grant, a \$125,000 Community Projects Fund (“CPF”) grant, and a \$75,000 CDFI grant, each for administrative expenses to provide technical and financial assistance; a \$300,000 Metropolitan Economic Revitalization Fund (“MERF”) loan to capitalize EHBCC’s loan programs; and a \$40,000 Urban and Community Development Program (“UCDP”) grant for pre-development costs to develop La Marqueta International. Except for the active project as noted below, for which the Organization is providing technical and financial assistance, all of the other projects have been completed and funds fully disbursed.

With the \$125,000 grant awarded to EHBCC in March 2009 for the project completed in October 2009, and for which funds are expected to be fully disbursed by the end of this month, it provided the following services: one-on-one counseling to 1,073 clients; technology training to 126 participants; business training seminars to 110 participants; business workshops to 235 participants; approved five loans through its loan programs; and referred five clients to alternative financing programs.

The Project

EHBCC’s staff will continue providing the following programs and services to entrepreneurs and existing small businesses in East Harlem: one-on-one counseling to a minimum of 120 minority and women entrepreneurs; technology training in computer literacy, Microsoft Office Suite and Quick Books to 100 participants; four, sixteen-session business training seminars to forty-eight participants; workshops in preliminary start-ups, financial literacy and food protection to 232 participants, and capital access through its loan programs and alternative financing programs. All courses will be conducted in English, with the exception of the food protection courses which will be conducted in English and Spanish.

EHBCC’s senior director will manage and coordinate workshops, seminars and technology training services. The program assistant will assist with the coordination of these services and the office assistant will assist with the operation of EHBCC. The technology training will be conducted by EHBCC’s staff, with the exception of Quick Books, which will be conducted by the consultant, Matthew Puleo, with an office located in New York City. The business training seminars and financial literacy and pre- start-up workshops will be conducted by the consultant, Metas Business Services, with an office located in Westchester County. The food protection workshops will be conducted by the consultant, Muhammad Khan, with an office located in Queens County. Project activities commenced January 2010 and will end December 2010. Through its training seminars, workshops, counseling, and accessibility to capital, EHBCC expects to provide East Harlem residents with the necessary resources and skills to successfully become entrepreneurs, open their own businesses and create jobs.

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Upon completion of the project, the Grantee will furnish a final report describing the impact and effectiveness of the project.

Financing Uses	Amount	Financing Sources	Amount	Percent
Salaries/Fringes	\$58,933	ESD Grant	\$75,000	100%
Consultant Fees	16,067			
Total Project Costs	\$75,000	Total Project Financing	\$75,000	100%

Statutory Basis – Community Projects Fund:

The project was reappropriated in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

Disclosure and Accountability Certifications:

The Grantee has provided ESDC with the required Disclosure and Accountability Certifications. Grantee’s certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.